

**Regular Meeting
Board of Trustees**

November 16, 2000

The Board of Trustees of the Arkansas Teacher Retirement System reconvened on Thursday, November 16, 2000, at 8:30 a.m. The meeting was held in the ATRS Board Room, 1400 West Third, Little Rock, Arkansas.

Members of the Board Present:

Linda Parsons, Chair
Charles Vondran, Vice Chair
Winfred Clardy
Hazel Coleman
Charles Dyer
Paul Fair
John Fortenberry
Mary Harris
Lynda Hogue
Betty McGuire
Frank White
Gus Wingfield

Members of the Board Absent:

Jimmie Lou Fisher
Ann Harbison
Ray Simon

Staff Present:

Bill Shirron, Executive Director
Gail Blair, Manager, Data Processing
Angelo Coppola, Deputy Director
Dena Dixon, Manager, Membership & Payroll
Wayne Greathouse, Associate Director/Investments
Tammy Medlock, Administrative Assistant
Hugh Roberts, Retirement Fund Investments Supervisor
Bernice Smith, Manager, Accounting
Barbara Waldrop, Manager, Preretirement Education

Others Present:

Michael Bean, Aeltus
David Boerner, Plunkett Boerner & Associates
Dickson Flake, Benton Commons Shopping Center
Kevin Hutchinson, Benton Commons Shopping Center
Richard Hutchinson, Arkansas Education Association
Judith Kermans, Gabriel Roeder Smith & Company
James McGuire, Guest of Betty McGuire
Jonelle Mitchell, Arkansas Retirement Teachers Association
Brian Murphy, Gabriel Roeder Smith & Company
Don Roberts, Arkansas Retired Teachers Association
Carol Stapleton, Legislative Council
Leonard Venable, Office of the State Treasurer

XIII. Roll Call

The minutes were recorded by Tammy Medlock of the Teacher Retirement staff.

XIV. Adoption of Agenda

Mr. Vondran made a motion to adopt the agenda as amended. The motion carried.

XV. Public Comments on Agenda Items

XVI. Actuarial Valuation of Active and Retired Members As of June 30, 2000

XVII. Investment Committee Report

A. Benton Commons Shopping Center (Benton, AR)

Mr. Dyer made a motion to approve the project as presented. The motion carried.

B. Victory Building & Retirement Village Updates

Victory Building. (Attachment A - Leasing Activities)

Retirement Village. Undergoing design changes; a budget is being developed; the management company (RCM) will be offered a three-year contract

XVIII. Teacher Retirement System Reports

A. Medical Board Summary Reports

Dr. Fair made a motion to adopt the Medical Board Summary reports as presented on pages 15-16 of the brochure. The motion carried.

B. Personnel – Dr. Angelo Coppola, Deputy Director

Mr. Dyer made a motion that the board convene in executive session. The motion carried. The board reconvened in open session with no action taken.

C. Membership & Payroll – Dena Dixon, Manager, Membership & Payroll

Mrs. Dixon noted an error on page 22 of the board brochure. The correct ATRS earnings limit for the period July 1, 2000 to June 30, 2001 for retirees age 64 and under, is \$20,160.

D. Arkansas-Related Investments – Wayne Greathouse, Associate Director-Investments

Mr. Greathouse noted errors on page 26 of the board brochure. (Attachment B - Corrected page 26)

E. Investment Summaries – Wayne Greathouse, Associate Director-Investments

F. Financial Statements – Bernice Smith, Manager, Accounting

XIX. S&P 500 Market Index Target Term Securities (MITTS)

This project was pulled from consideration.

XX. New Business

- A. Comments by Dr. Don Roberts, Executive Director, Arkansas Retired Teachers Association
(Attachment C - "Recommended Priorities for Legislation to ATRS Board of Trustees")

B. Policy Changes

Mr. Fortenberry made a motion to approve the policy changes as amended. The motion carried. (Attachment D - Policy Changes)

C. Resolution - Rose Law Firm

Mr. Clardy made a motion to approve the resolution as presented on page 37 of the brochure. The motion carried.

D. Legislative Package for 2001 & Actuarial Costs

Mr. Shirron stated the legislation pertaining to the death benefit for active members will be changed to reflect the same as that for retirees: \$25,000 for contributory service and \$16,667 for non-contributory. Mr. Dyer made a motion that the board approve the legislative package for 2001 as amended. The motion carried.

Mr. Shirron stated the actuary will provide for consideration at the called meeting on December 5, the amount of reserves it will take to raise the multiplier to 2.15% and give retirees a 1.2% raise, or a \$25 per month across-the-board increase for new and current retirees.

He stated the actuary will also provide a letter indicating that the legislation providing for a retiree to return to work and not be subject to the ATRS earnings limit will not cause a financial impact on the system.

By common consent the board ranked their preferences for 2001 legislation accordingly:

1. Increase Death Benefit for Beneficiaries of Active and Retired Members
2. Authorize up to \$200 per month for retirees as a health insurance subsidy
3. Authorize a 4% COLA for retirees

E. Other Legislative Issues

The Joint Retirement Committee is scheduled to meet on Friday, December 1, to listen to proponents to consolidate the boards of the various state retirement systems.

F. Upcoming Elections - Position #1 and #3 - March, 2001

XXI. General Comments

In other business:

Review of Private Investigator's Report. Mr. Fortenberry requested the board review the report of Mr. Van Horn at the called meeting on December 5.

Mrs. Hogue made a motion the board convene in executive session. The motion carried. The board reconvened in open session with no action taken.

As there was no further business to consider, Mrs. McGuire made a motion to adjourn. The motion carried and the Board adjourned at 12:40 p.m.

Linda Parsons, Chairman

Bill A. Shirron, Secretary to the Board

DATE

**Victory Building
Leasing Activity as of
November 14, 2000**

Signed Letter of Intent

Company	Contact	Address	Square Feet
Reliant Energy Arkia	Kathy Alexander	401 W. Capitol, Little Rock, AR	20,000
John Pitts, D.D.S.	John Pitts	1405 W. 6th, Little Rock, AR	2,000
Arkansas Trucking Assoc.	Lane Kidd	501 Woodlane, Little Rock, AR	2,000
Arkansas State Treasurer	Jimmie Lou Fisher	220 State Capitol, Little Rock, AR	15,000
PFL Life Insurance Co.	Tim Colclasure	501 Woodlane, Little Rock, AR	25,000
International Paper	Lee Pittman	501 Woodlane, Little Rock, AR	1,000
Arkansas Health Care Assoc.	Randy Wyatt	501 Woodlane, Little Rock, AR	4,000

Letters of Intent out for Signature

Company	Square Feet
Unnamed Tenant	800
Unnamed Tenant	10,000
Unnamed Tenant	3,500

Signed Leases

Company	Contact	Address	Square Feet
KARK	Dean Hinson	201 W. 3rd, Little Rock, AR	34,835

Leases out for Signature

Company	Contact	Address	Square Feet
Dr. John Pitts	John Pitts	1405 W. 6th, Little Rock, AR	1,810
Arkansas Trucking Association	Lane Kidd	501 Woodlane, Little Rock, AR	2,771
Arkansas Health Care Associates	Randy Wyatt	501 Woodlane, Little Rock, AR	4,953
International Paper Company	Lee Pittman	501 Woodlane, Little Rock, AR	1,132

Prospects with Interest in Building

Company	Square Feet
Retail	3,500
Office	15,000
Office	10,000
Office	8,000
Retail	Unknown
Office	35,000
Office	5,000
Office	30,000
Office	10,000

ARKANSAS TEACHER RETIREMENT SYSTEM
7/1/2000 - 9/30/2000

ARKANSAS RELATED INVESTMENTS:

PURCHASES:

TOTAL \$24,190,000.00

PAYOFFS: \$148,301.58

TOTAL \$24,041,698.42

ALTERNATIVE INVESTMENTS

PURCHASES: \$130,380,672.62

SALES: \$22,376,509.83

TOTAL: \$108,004,162.79

ARKANSAS RETIRED TEACHERS ASSOCIATION

Recommended Priorities for Legislation To ATRS Board of Trustees

1. Increase lump sum death benefit to \$25,000 for Retirees, without tax due.
2. Increase the presently authorized across-the-board payment of \$125 per month to \$200 per month. (Increase of \$75).
3. Seek authority for ATRS Board to increase the COLA to 4 percent if appropriate CPI reaches 4 percent.
4. As soon as possible develop a catch up increase in benefits based on a differentiated rate relative to retirement date.
- * Motion to approve recommendations by the ARTA Legislation committee, the Leadership council, and the Member representatives at the Annual Convention approved unanimously.

POLICY CHANGES

Reference Page 20 of Policy book; Page 35 of November 16 Agenda

1. The board shall elect a Chairman and Vice Chairman from its own membership ~~each year at its first quarterly meeting following the beginning of the fiscal year.~~ The election shall be in odd-numbered years at the first regular meeting after the beginning of the fiscal year. The election will be in the odd numbered years. The Chairman and Vice Chairman shall be elected for a term of two (2) years and may be re-elected for one (1) additional two-(2) year term. The Chairman and Vice Chairman shall be either a member, retirant or minority trustee. A Board member must have served at least one (1) full year as a member of the Board to be eligible for election to the position of Chairman or Vice Chairman.